

Page 46		Page 48	
1	talking about? 10:10:19	1	Q. Do you have a credit line at any 10:12:30
2	BY MR. MOSKOWITZ: 10:10:20	2	other bank besides US Bank? 10:12:33
3	Q. Either US Bank or MB Financial. 10:10:20	3	A. Yes. 10:12:35
4	A. What's the question? 10:10:24	4	Q. What bank do you have a credit line 10:12:35
5	Q. Sure. Is one a payroll account as 10:10:25	5	besides US Bank? 10:12:38
6	compared to the other? 10:10:27	6	A. MB Financial Bank. 10:12:40
7	A. No. 10:10:28	7	Q. Anywhere else? 10:12:42
8	Q. Are both just checking accounts 10:10:30	8	A. No. 10:12:43
9	that the company has? 10:10:33	9	Q. Have you had credit lines at those 10:12:43
10	A. Yes. 10:10:33	10	two banks since 2000? 10:12:46
11	Q. Who are the signatories on those 10:10:34	11	A. No. 10:12:47
12	checking accounts? 10:10:36	12	Q. When did you first obtain a credit 10:12:48
13	A. Andrew Marks, Stanford Marks, 10:10:37	13	line at US Bank? 10:12:49
14	Stephanie Marks, and Eileen Klein. That's 10:10:42	14	A. 1979. 10:12:51
15	as to US Bank. As to MB Financial, I 10:10:47	15	Q. Okay. And you had it every year 10:12:56
16	believe it's Andrew Marks and Stanford 10:10:53	16	since? 10:12:59
17	Marks. 10:10:59	17	A. Yes. It wasn't called US Bank in 10:12:59
18	Q. Why would Stephanie Marks have 10:10:59	18	1979. 10:13:02
19	signature privileges on a company bank 10:11:03	19	Q. Whatever its predecessor name was. 10:13:03
20	account of which she is neither an officer, 10:11:07	20	What about at MB Financial? 10:13:05
21	director, or shareholder? 10:11:11	21	A. What's the question? 10:13:07
22	A. There are times when Stanford Marks 10:11:13	22	Q. Sure. When did you first start 10:13:07
23	and Andrew Marks are not in the office, and 10:11:15	23	having a credit line at MB Financial? 10:13:10
24	there are checks that need to be signed. 10:11:19	24	A. 2008. 10:13:12
Page 47		Page 49	
1	Q. And why would Ms. Klein be a 10:11:21	1	Q. In 2002 what was the credit line at 10:13:15
2	signatory on that account? 10:11:24	2	US Bank? 10:13:18
3	A. For the same reasons. 10:11:25	3	A. I don't recall. 10:13:19
4	Q. Is Ms. Klein a full-time employee? 10:11:33	4	Q. In 2003 what was the credit line at 10:13:21
5	A. No. 10:11:35	5	US Bank? 10:13:24
6	Q. She also works part time? 10:11:36	6	A. I don't recall. 10:13:24
7	A. Yes. 10:11:40	7	Q. In 2003 what was the credit line -- 10:13:26
8	Q. When does she work? 10:11:41	8	excuse me -- in 2004 what was the credit 10:13:29
9	A. Wednesdays and Fridays. 10:11:42	9	line at US Bank? 10:13:33
10	Q. And who answers the phones on 10:11:48	10	A. I don't recall. 10:13:34
11	Monday, Tuesday, and Thursdays? 10:11:51	11	Q. In 2005 what was the credit line at 10:13:35
12	A. I do, Stanford Marks, Alyssa 10:11:53	12	US Bank? 10:13:38
13	Grabski, Lou Ann Formusa, Stephanie Marks. 10:11:59	13	A. I don't recall. 10:13:38
14	I think that's it. 10:12:06	14	Q. At 2006 what was the credit line at 10:13:39
15	Q. Are you there every day? 10:12:07	15	US Bank? 10:13:43
16	A. Yes. 10:12:09	16	A. I don't recall. 10:13:44
17	Q. Is your dad there every day? 10:12:09	17	Q. In 2007 what was the credit line at 10:13:45
18	A. Yes. 10:12:11	18	US Bank? 10:13:49
19	Q. Let's go back to our discussion of 10:12:20	19	A. I believe it was 20 million. 10:13:50
20	where you get the money. You have credit 10:12:23	20	Q. In 2008 what was the credit line at 10:13:58
21	lines at various banks? 10:12:25	21	US Bank? 10:14:01
22	A. Yes. 10:12:26	22	A. 20 and 25 million. 10:14:01
23	Q. You have a credit line at US Bank? 10:12:27	23	Q. When you say 20 and 25, what does 10:14:04
24	A. Yes. 10:12:30	24	that mean? 10:14:09

Page 50

1 A. That means for a certain portion of 10:14:10
 2 the year, the credit line was 25 million. 10:14:12
 3 Q. And it would go down to 20 for the 10:14:17
 4 rest of the year? 10:14:20
 5 A. Yes. 10:14:21
 6 Q. That portion being after the tax 10:14:25
 7 sale? 10:14:26
 8 A. Correct. 10:14:27
 9 Q. What about in 2008 at MB Financial? 10:14:43
 10 What was your credit line there? 10:14:46
 11 MR. QUINN: Mr. Moskowitz, what's 10:14:49
 12 the relevance of this? 10:14:50
 13 MR. MOSKOWITZ: The relevance of 10:14:51
 14 that is you have asserted that you can 10:14:52
 15 buy -- 10:14:54
 16 MR. QUINN: What's the relevance 10:14:54
 17 for 2008? 10:14:56
 18 MR. MOSKOWITZ: Okay. I withdraw 10:15:00
 19 the question. 10:15:02
 20 BY MR. MOSKOWITZ: 10:15:03
 21 Q. Are you a signatory at the US Bank 10:15:10
 22 lines of credit? 10:15:15
 23 A. Yes. 10:15:16
 24 Q. Is it a line of credit or just a 10:15:16

Page 51

1 credit facility where you take out the money 10:15:24
 2 at one time? 10:15:27
 3 A. I'm not sure I understand what 10:15:27
 4 you're asking. 10:15:32
 5 Q. There are various ways you can 10:15:32
 6 borrow money. You can borrow money, 20 10:15:34
 7 million dollars and they give you a 20 10:15:34
 8 million dollar check, and you deposit it 10:15:36
 9 into your account and you start paying 10:15:37
 10 interest on the 20 million dollars right 10:15:39
 11 away or there's a line of credit where you 10:15:40
 12 can take out moneys as you need? 10:15:44
 13 A. It's a revolving line of credit. 10:15:46
 14 Q. And who are the signatories on the 10:15:50
 15 loans, if you know? 10:15:55
 16 A. Stanford Marks and Andrew Marks. 10:15:56
 17 Q. Is Phoenix Bond a signatory on the 10:16:02
 18 credit account? 10:16:06
 19 A. Phoenix Bond is the borrower. 10:16:07
 20 Q. And you are the guarantors or were 10:16:10
 21 you a comaker? 10:16:13
 22 A. You who? 10:16:15
 23 Q. You being Andrew Marks and your 10:16:17
 24 father, Stanford Marks. 10:16:19

Page 52

1 A. I am not a guarantor. 10:16:21
 2 Q. So you're a comaker? 10:16:22
 3 MR. QUINN: I'm going to object. 10:16:25
 4 Mr. Moskowitz, you asked about signatories. 10:16:26
 5 That was your question. 10:16:29
 6 MR. MOSKOWITZ: Signatories and 10:16:30
 7 makers. 10:16:31
 8 MR. QUINN: Well, your question was 10:16:33
 9 signatories. 10:16:33
 10 MR. MOSKOWITZ: Okay. Let's 10:16:36
 11 clarify it so the record is clear. 10:16:37
 12 BY MR. MOSKOWITZ: 10:16:38
 13 Q. You know the distinction between a 10:16:39
 14 guarantor and a maker, do you not? 10:16:41
 15 A. I know what a guarantor is. By a 10:16:43
 16 maker, you mean a signatory? 10:16:46
 17 Q. Signatory, one that is personally 10:16:47
 18 liable upfront for the debt. 10:16:50
 19 A. Is that what you're telling me 10:16:53
 20 that's what it is? 10:16:55
 21 Q. Yes, that's what I'm talking about. 10:16:55
 22 A. Okay. 10:16:55
 23 Q. Are you a maker or a guarantor? 10:16:56
 24 A. Neither. 10:16:58

Page 53

1 Q. You are a signatory on the loan? 10:17:00
 2 MR. QUINN: Mr. Moskowitz, I object 10:17:03
 3 insofar as you're drawing legal conclusions 10:17:04
 4 which I'm not sure are accurate. Perhaps 10:17:08
 5 you should ask Mr. Marks on whose behalf he 10:17:11
 6 was a signatory. 10:17:15
 7 MR. MOSKOWITZ: I don't think it 10:17:16
 8 makes a difference. 10:17:17
 9 BY MR. MOSKOWITZ: 10:17:17
 10 Q. To the best of your understanding, 10:17:18
 11 are you personally liable for the debt to US 10:17:19
 12 Bank? 10:17:22
 13 A. No. 10:17:22
 14 Q. Is anyone personally liable for the 10:17:26
 15 debt to US Bank? 10:17:30
 16 A. Yes. 10:17:31
 17 Q. Who? 10:17:31
 18 A. Stanford Marks. 10:17:32
 19 Q. What is the credit facility of US 10:17:35
 20 Bank secured by? 10:17:45
 21 A. Cook County tax certificates and 10:17:46
 22 subsequent tax receipts. 10:17:50
 23 Q. What about if those tax 10:17:53
 24 certificates ripen into a deed, does the 10:17:57

Page 54	Page 56
<p>1 bank get a security interest on that? 10:18:01</p> <p>2 A. No. 10:18:03</p> <p>3 Q. Are there any documents that are in 10:18:14</p> <p>4 the possession of Phoenix Bond which would 10:18:17</p> <p>5 tell us how much was the credit facilities 10:18:20</p> <p>6 in the years 2002 through 2006 that you said 10:18:23</p> <p>7 you did not know? 10:18:29</p> <p>8 A. Yes. 10:18:29</p> <p>9 Q. What documents are those? 10:18:30</p> <p>10 A. That would be the statements from 10:18:31</p> <p>11 US Bank that relate to an unused line fee 10:18:38</p> <p>12 that was being charged by US Bank for the 10:18:43</p> <p>13 unused credit facility. That would indicate 10:18:46</p> <p>14 the loan amount and loan balances. 10:18:54</p> <p>15 Q. How about the loan documents 10:18:57</p> <p>16 themselves? Does Phoenix Bond have a copy? 10:18:59</p> <p>17 A. Yes. 10:19:02</p> <p>18 Q. Is your father a guarantor or did 10:19:03</p> <p>19 he sign personally on the note, if you know? 10:19:08</p> <p>20 A. Guarantor. 10:19:10</p> <p>21 Q. Is that guarantee agreement at the 10:19:11</p> <p>22 offices of Phoenix Bond? 10:19:15</p> <p>23 A. I believe that it is. 10:19:16</p> <p>24 Q. This revolving line of credit, has 10:19:18</p>	<p>1 A. Correct. 10:20:47</p> <p>2 Q. And you had no other lines or other 10:20:48</p> <p>3 bank credit available for those years to buy 10:20:51</p> <p>4 tax certificates; is that not correct? 10:20:55</p> <p>5 A. That's correct. 10:20:57</p> <p>6 Q. Let's talk about the sales 10:21:12</p> <p>7 themselves. Who prepared the bid book? 10:21:13</p> <p>8 MR. LEVINE: Are we off highly 10:21:19</p> <p>9 confidential? 10:21:21</p> <p>10 MR. MOSKOWITZ: I don't know. Are 10:21:24</p> <p>11 we? 10:21:26</p> <p>12 THE WITNESS: I think it goes to 10:21:26</p> <p>13 the operation of our business. 10:21:26</p> <p>14 MR. QUINN: Have you asked the 10:21:26</p> <p>15 question? 10:21:28</p> <p>16 MR. MOSKOWITZ: Yes. Who prepared 10:21:29</p> <p>17 the bid book? 10:21:30</p> <p>18 MR. ROCHMAN: Don? 10:21:34</p> <p>19 MR. LEVINE: Yes. 10:21:34</p> <p>20 MR. ROCHMAN: Just calling to see 10:21:36</p> <p>21 if we're able to get back in yet? 10:21:39</p> <p>22 MR. LEVINE: I guess so. 10:21:41</p> <p>23 MR. ROCHMAN: Are we on break? 10:21:43</p> <p>24 MR. MOSKOWITZ: No. Hold on. Can 10:21:43</p>
Page 55	Page 57
<p>1 it been renewed in any particular point in 10:19:22</p> <p>2 time? 10:19:24</p> <p>3 A. Yes. 10:19:25</p> <p>4 Q. And do you have copies of all of 10:19:26</p> <p>5 the renewals, you being Phoenix Bond? 10:19:29</p> <p>6 A. Yes. 10:19:31</p> <p>7 Q. Is this information also set forth 10:19:34</p> <p>8 in the financial statements of Phoenix Bond? 10:19:36</p> <p>9 A. I believe that it is. 10:19:39</p> <p>10 Q. During the sale, as the sale is 10:19:42</p> <p>11 going on, who kept track of how much money 10:19:56</p> <p>12 was available? 10:20:00</p> <p>13 A. Which sale? 10:20:00</p> <p>14 Q. Any sale. Let's start with the 10:20:01</p> <p>15 year 2002. 10:20:03</p> <p>16 A. I don't know that we paid a lot of 10:20:05</p> <p>17 attention to it. 10:20:10</p> <p>18 Q. Did there ever come a time that you 10:20:12</p> <p>19 maxed out on your line of credit? 10:20:15</p> <p>20 A. Not that I recall. 10:20:17</p> <p>21 Q. And this line of credit from US 10:20:24</p> <p>22 Bank was used to buy any and all tax 10:20:38</p> <p>23 certificates for the years 2002 through 10:20:42</p> <p>24 2007; is that not correct? 10:20:45</p>	<p>1 you hear us still? 10:21:48</p> <p>2 MR. ROCHMAN: Yes, I can hear you. 10:21:54</p> <p>3 MR. MOSKOWITZ: You're going to go 10:21:56</p> <p>4 back on the phone. 10:21:59</p> <p>5 MR. ROCHMAN: Should I call back or 10:21:59</p> <p>6 are you going to -- 10:21:59</p> <p>7 MR. MOSKOWITZ: We're going to let 10:22:06</p> <p>8 you know. 10:22:07</p> <p>9 MR. QUINN: Well, if we're 10:22:10</p> <p>10 continuing to talk about the operation of 10:22:11</p> <p>11 the business, then I think we're still in 10:22:12</p> <p>12 the realm of highly confidential. 10:22:15</p> <p>13 BY MR. MOSKOWITZ: 10:22:17</p> <p>14 Q. Who prepared the bid book? 10:22:17</p> <p>15 A. Andrew Marks and Stanford Marks. 10:22:18</p> <p>16 Q. Anybody else? 10:22:21</p> <p>17 A. No. 10:22:21</p> <p>18 Q. Tell me how you went about 10:22:23</p> <p>19 preparing a bid book. 10:22:25</p> <p>20 A. Are you asking me what I did? 10:22:27</p> <p>21 Q. What the company did. 10:22:30</p> <p>22 A. Well, the company would research 10:22:33</p> <p>23 disposition of prior taxes. We would do 10:22:37</p> <p>24 some title investigation on some of the 10:22:42</p>

15 (Pages 54 to 57)